

Debt Service Fund

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This service/reserve fund was established in FY 2004-05 to set aside resources to meet current and future debt service requirements on general long-term debt.

BUDGET SUMMARY

	FY 08-09 Actual	FY 09-10 Adopted	FY 09-10 Adjusted	FY 10-11 Adopted	% Change FY 09-10 to FY 10-11
Water & Sewer Bond Principal	3,268,615	3,606,532	3,606,532	3,025,000	
Water & Sewer Installment Principal	790,000	820,000	820,000	850,000	
Water & Sewer Bond Interest	979,612	986,118	986,118	592,112	
Water & Sewer Installment Interest	829,625	791,120	791,120	758,320	
Water & Sewer Fiscal Agent Fees	77,021	65,616	73,443	61,680	
Bond Principal	1,636,385	1,883,468	1,883,468	2,300,000	
Installment Principal	2,913,348	3,573,072	3,573,072	3,579,615	
Bond Interest	644,277	1,113,972	1,113,972	2,415,694	
Installment Interest	3,563,207	4,709,898	4,709,898	4,499,130	
Fiscal Agent Fees	11,383	12,955	18,255	14,410	
Debt Service Reserve	-	2,370,042	2,367,042	-	
Allocated Costs	91,896	124,000	124,000	124,316	
Total	14,805,369	20,056,793	20,064,620	18,220,277	-9.2%

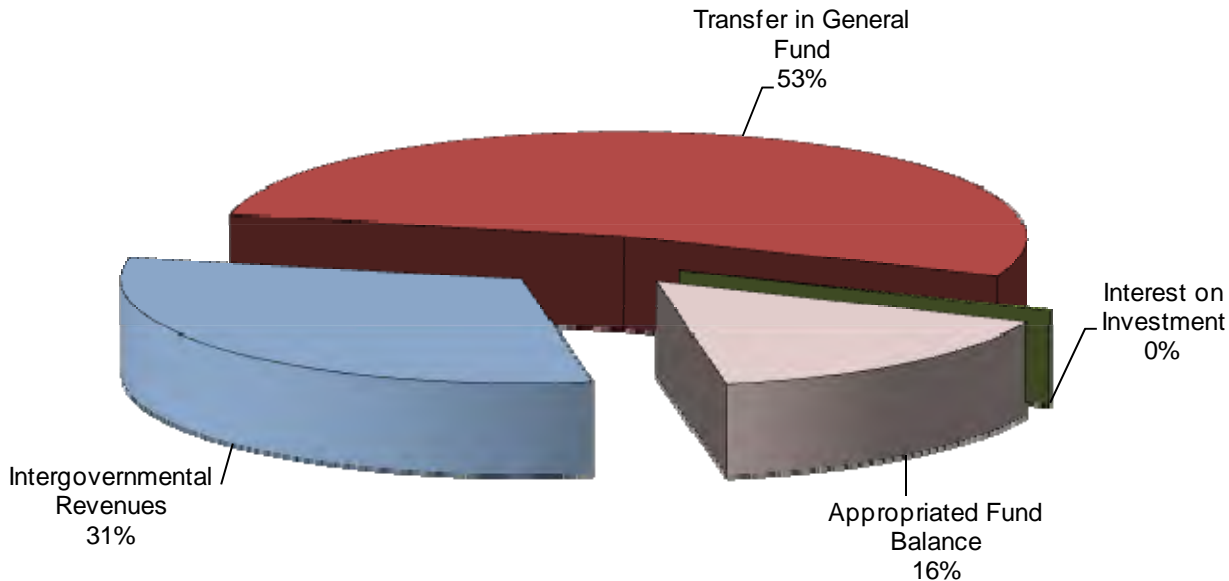
A total of \$18,220,277 will be reserved to cover current and future debt obligations associated with the Capital Improvement Program in the General Fund for FY 2010-11. The fund also reflects General Obligation and Installment Financing debt in the amount of \$5,287,112 that cannot be transferred to the Cape Fear Public Utility Authority however, offsetting revenue from the Authority will cover this obligation until it is retired.

This is money the city owes for improvement projects that have already been built or are underway. This amount can not be changed.

DEBT SERVICE FUNDS

DEBT SERVICE FUND

	FY 08-09 Actual	FY 09-10 Adopted	FY 09-10 Adjusted	FY 10-11 Adopted	% Change FY 09-10 to FY 10-11
Intergovernmental Revenues	5,943,561	6,269,386	6,269,386	5,658,585	
Transfer in General Fund	8,686,875	9,077,784	9,077,784	9,649,685	
Installment Financing	-	4,573,033	4,573,033	-	
Interest on Investment	156,317	136,590	136,590	46,021	
Appropriated Fund Balance	-	-	7,827	2,865,986	
Total	14,786,753	20,056,793	20,064,620	18,220,277	-9.2%



Intergovernmental Revenues

These revenues are provided by the Cape Fear Public Utility Authority to pay debt service on water and sewer debt issued by the City in prior years.

General Fund

These revenues consist of a transfer from the General Fund and represents approximately 11% of the General Fund budgeted expenditures and 53% of the total revenue in the Debt Service Fund. The City's debt issuance plans for the coming years are based on this annual transfer.

Interest Earnings

Interest on investments in the Debt Service Fund is expected to yield \$46,021 to the fund in FY 2011. This is a 66% reduction in interest earnings due to declining rates on short-term investments.

Appropriated Fund Balance

The appropriation of fund balance is required to cover the FY 2011 total debt service.

CAPITAL PROJECT FUNDS

Revenues within the Capital Project Funds include several sources which include appropriations of bond proceeds, debt financing, and interest earnings.